

The Impact of Balanced Scorecard on Firm Value Evidence from the Saudi Listed Companies

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Abstract

The study aimed to identify the effect of the balanced scorecard on the company's value in the listed companies in the Saudi market. To achieve this goal, this study relied on the survey method. Were received (72) questionnaires; the data were analyzed using descriptive-analytical methods by subjecting the data obtained from the questionnaire to statistical analysis using the Statistical Package for Social Sciences program to test the research hypotheses to reach the results. This study showed that there study's most important results showed a positive and statistically significant impact of the balanced scorecard with its four dimensions on the company's value. Saudi joint stock companies have a clear strategic plan for all parties involved in implementing the program, in addition to a performance evaluation mechanism for the companies under study, and this is done by linking the vision to the goals, as well as a high degree of availability. Effective management systems help achieve the company's vision and strategy, contributing to adding value. In light of the results, the researcher recommended the importance of constantly developing the balanced scorecard model to accommodate the successive developments in the competitive business environment.

Keywords: Firm Value , balanced scorecard (BSC) - Financial perspective- Customer perspective- Internal operations perspective- learning and growth perspective.

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1.1 INTRODUCTION

The contemporary business environment has witnessed many strategic changes, perhaps the most prominent of which are the emergence of globalization, technological development, and intense competition, in addition to the increase in the relative importance of intangible assets, such as human capabilities, relationships with customers, flexible internal response, speed, innovation and finally, customers' need for new products and services with High quality, which constitutes an increasing challenge for the accounting system, which must be commensurate with the movement of these intangible assets by measurement and reporting, which makes these companies continuously strive towards development, creativity and improvement and requires resorting to modern administrative techniques in the field of planning, regulation and control in order to achieve the success of the company not only its goals Close as well as long-term, thus contributing to maximizing the value of the company.

Ridwan *et al.*, (2013) indicated that the company's main objective is to maximize the value of

the company, which reflects the optimal use of its resources with the most excellent efficiency, the lowest possible cost and high quality, as well as the development of goods that the consumer wants and needs and the availability of after-sales services to maintain customer loyalty and gain A larger market share and employee development to achieve high-performance productivity.

Kaplan & Norton (1996) defines balanced scorecard (BSC) as a practical framework used as a basic entry aiming to improve current and future performance by studying several measures within four axes: the customer axis, the financial axis, and the internal operations axis. The learning and growth axis was defined by Niven (2003) as a carefully selected set of quantifiable indicators derived from the organization's strategy, where these quantifiable indicators derived from the organization's strategy, where these indicators represent a tool used by managers to communicate the results of the performance of the institution to employees and various owners' interests, which enable it to achieve its mission and strategic goals.

David (2009) also indicated that it is a technical evaluation and control strategy that derives its name from the institutions' need to balance their financial indicators, which are often used exclusively in evaluating systems and control with non-financial indicators such as product quality and customer service. Comprehensively, to define the balanced scorecard, it can be said that it is a system for measuring and evaluating a comprehensive strategy and a balance between financial and non-financial indicators and includes four dimensions (financial - customers - internal operations - learning and growth) Thus, it is considered an integrated measurement tool that keeps measures of past financial performance and provides drivers for future performance.

This study focuses on studying one of the modern management strategies, which is the balanced scorecard, knowing its impact on the value of the firm.

1.2 Research Problem and Research Question

The Saudi business environment has witnessed strategic changes and developments in various sectors over many years, perhaps the most prominent of which is the emergence of a revolution in technology in the field of production and information systems and intense competition, in addition to the customers' need for new products and services of high quality and innovative, which made these companies continuously strive towards development creativity and improvement and these changes have become challenges and pressures facing various types of companies. This requires development in the philosophy of the system, management, planning and decision-making methods through the adoption of modern administrative procedure, practices and standards that enable them to effectively plan for strategic and operational performance by gaining a competitive advantage with an added value that ensures the success of these companies.

Through this study, knowing the impact of the application of one of the most famous modern administrative methods, the effect of the balanced scorecard on the value of the firm application of the companies listed in the Saudi market.

The main question of the this study is

- What is the effect of a balanced scorecard on the firm value of the Saudi listed companies?

The above main question can be divided into the following sub-questions:

- What is the effect related to the financial Perspective of the balanced scorecard on the firm value the of the Saudi listed companies?
- What is the effect related to the customer Perspective of the balanced scorecard on the firm value of the listed companies?

- What is the effect of the internal operations Perspective on firm value of the Saudi listed companies?
- What is the effective learning and growth Perspective on firm value of the Saudi listed companies?

1.3 Motivation of the Study

- Seek to adopt modern administrative methods in the management of Saudi joint stock companies to support their competitiveness and strategic planning, as well as provide additional indicators other than financial indicators to face the shortcomings in traditional financial control systems. Financial performance appraisal to help management understand all dimensions of the company's actual performance.
- Improving by following modern management strategies in companies in the Saudi market has a essential vital role in achieving the goals of Vision Kingdom Saudi Arabia 2030.
- Being dissatisfied with relying on financial statements and their impact on company value, the measurement of company value has become insufficient. Financial measures alone are inadequate in the face of economic integration that achieves profit maximization and contributes to value creation.

1.4 Purpose of the Study

The main objectives that the study wants to achieve are:

- Statement of the concept and role of the balanced scorecard with its four axes in evaluating the firm value.
- To seek to Develop the application of Techniques and strategies and Know the effect of using BSC on the value of the company through the use of the Balanced Scorecard for the sectors in the Kingdom.
- Ensure future BSC implementation can be undertaken to improve output for Saudi organizations.

1.5 Importance of the Study:

The use of the balanced scorecard tool has a essential vital role in monitoring and planning work in companies, which is reflected positively and thus increases the company's value. In addition to raising awareness among companies and organizations about the balanced scorecard, its importance and role in increasing the profitability of companies.

According to the plan of the Kingdom of Saudi Arabia, which defines Vision Kingdom Saudi Arabia 2030, which provides for the launch of a vision based on many economic and financial reforms, aimed at transforming the structure of the Saudi economy into a diversified and sustainable economy based on

enhancing productivity and raising the contribution of the private sector in its various sectors.

Assist decision-makers in the companies under discussion by providing the necessary information on the reality of performance and the level of application of methods to Strategy development and operational performance improvement.

1.6 Contribution of the Study

Some Saudi studies have been applied to the banking sector, hospital, university, and companies in the Saudi market, as some follow the case study method and the field survey method using a questionnaire. We found many studies studying the effect of its use on financial and strategic performance and profitability, but there is no Saudi study looking at the impact of the Balanced Scorecard on the value of the firm.

1.7 The importance of the balanced scorecard:

The importance of using the Balanced Scorecard is that the Balanced Scorecard relies on the use of indicators to evaluate performance as an integrated system of information, communication and strategic learning, where these indicators are included in the long-term strategy. It also makes the process the focus of attention of all employees at all administrative levels to implement it and contribute to achieving goals and objectives.

It provides a comprehensive model for translating strategic goals into a complete set of

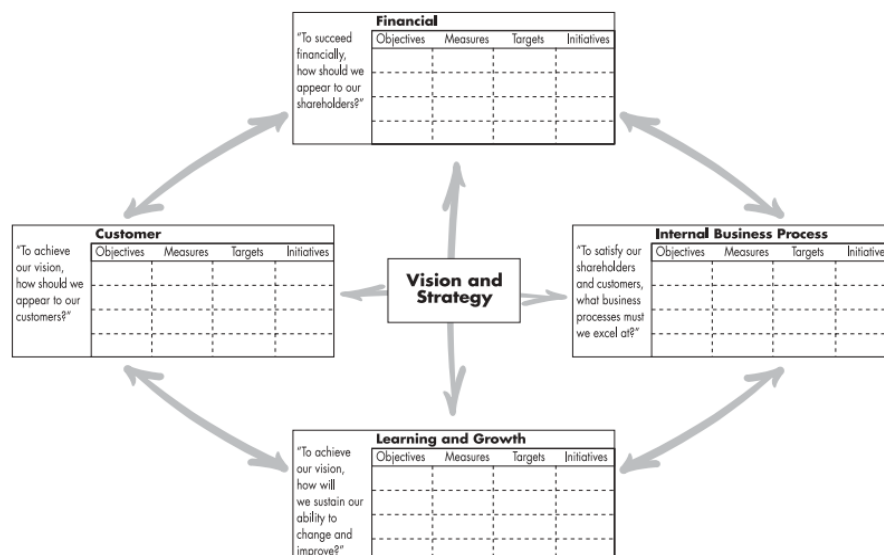
measures reflected in strategic performance measures. It summarises the vision and strategy of the economic unit into a coherent set of performance measures that include output measures and performance drivers for these outputs, in addition to balancing long-term and short-term goals, financial and non-financial measures, and internal and external standards. On the other hand, through the balanced scorecard, helps in effective management of human resources by motivating employees based on performance and improving traditional control systems through the introduction of non-financial facts and finally provides management with a comprehensive overview of the operations of the economic unit.

In addition the importance of the balanced scorecard is the effective implementation of the company's strategy by presenting a clear visualization of this strategy that appears in the form of a graphic representation called the strategic map, where the latter shows the relative relationships that link the dimensions of the card together, which lead towards creating company value.

1.8 Balanced scorecard dimensions:

The integrated framework of the scorecard system includes four main perspectives that interact and integrate according to what is known as the cause and effect relationship to achieve the vision and strategy of the institution, which is illustrated by the following Figure (1):

Translating Vision and Strategy: Four Perspectives



HARVARD BUSINESS REVIEW • JANUARY-FEBRUARY 1996

PAGE 39

Figure 1: Balanced scorecard dimensions

Source: (Kaplan, Norton 1996)

The previous figure reflects the essential dimensions on which the Balanced Scorecard is based, which forms the basis for translating the corporate strategy. The figure also shows the following elements for each measurement:

Objectives: It expresses the desired results that contribute to achieving the vision and strategy of the institution, where the intended purposes are arranged on all dimensions of the card, and their achievement leads to the achievement of the institution's strategic direction.

Indications: It is a quantifiable formula that reflects progress towards achieving goals.

Target values: The results to be gained from the implementation of the plans are usually expressed in numerical values that must be reached or achieved.

Initiatives

Initiatives refer to the operational programs and projects that need to be implemented to achieve the objective.

After identifying the axes that make up each perspective, it is possible to elaborate on the basic dimensions of the scorecard.

Financial dimension:

The financial dimension is one of the axes of measuring and evaluating performance. Where the results of this dimension represent indicators directed to achieving the company's performance and standing up to the level of results achieved by following its strategy. The financial indicators also provide a clear picture of the company's financial performance that allows ascertaining whether the implementation of the system contributes to improving the company's results and achieving its desired goals. Measuring rate of return on assets, rate of return on investment, revenue growth, lower costs and Capital Adequacy Ratio (Bose, 2007; Kaplan & Norton, 1996).

Customer perspective:

Most business organizations nowadays depend on placing the requirements and needs of customers at

the heart of their strategies because this axis is of great importance that is reflected in the company's success, survival and continuity of its activity in the competitive market, which is achieved through the ability to provide high-quality products at reasonable prices. The balanced scorecard takes into account the needs and desires of customers by including them with a perspective of their own represented in the customer dimension measuring customer dimension sales growth rate, customer growth rate, revenue growth rate, asset growth rate, the percentage of customer complaints, the percentage of the increase in customers, the growth rate in sales, income margin ratio to number of clients and customer turnover (Kaplan & Norton, 1996).

Internal Operations Perspective:

You know that they are all the vital internal activities and events that distinguish the company from other companies, through which customer's, customers' needs are met, and shareholders' goals are achieved.

The dimension of the internal processes reveals that there are two main differences between the traditional approaches and the balanced scorecard approach. The standard conventional method it only monitors and enhances the company's operations by focusing on the current processes. At the same time, strategic new process techniques that the company must excel in to accomplish each of its. At the same time, the balanced scorecard reveals completely new processes in which the company must excel to achieve its objectives and financial and customer-related goals. The second difference is the inclusion of the balanced scorecard for innovation processes in the perspective of internal operations, which helps to create value in the short and long term, so Kaplan and Norton proposed within this framework a general model for the value chain that various requirements can use. When preparing for the internal operations dimension. Measuring internal operations dimension research and development cost ratio, Ratio of employees to services, Percentage of services provided, percentage of revenue from services provided (Kaplan & Norton, 1996).

The model includes three primary cycles, as shown in the following figure (2):

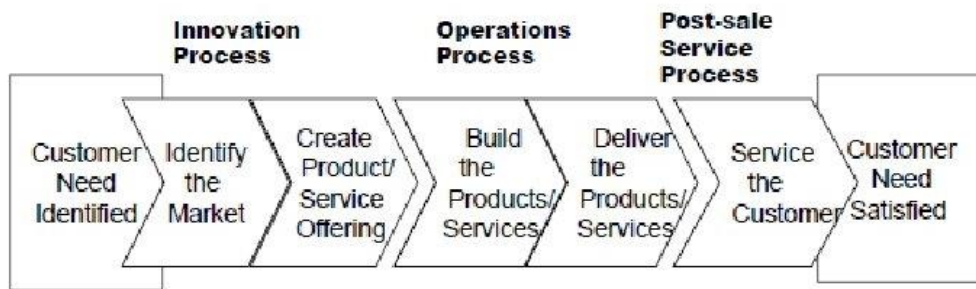


Figure 2: Value chain model internal operations perspective

Source: (Kaplan and Norton)

The previous figure shows the internal stages of the company through which it provides value to customers, as it turns out that the value chain for the internal operations perspective starts from the creativity cycle where the company surrounds the market to know the new needs and requirements of customers, and then creates and develops products and services commensurate with their desires and unique needs.

Then the value chain is transferred to the operations cycle, where the predetermined goods are produced and delivered to customers, to finally reach the after-sales services cycle, which includes developing training programs for customers, providing information on how to use the products, receiving complaints, and repairing and dealing with defects.

Learning and Growth Perspective

This perspective is the basis on which the Balanced Scorecard is built, as it defines the infrastructure company must make to create long-term growth. According to Kaplan and Norton, organizational learning and development come from essential primary sources: individuals, systems, and managerial and administrative procedures (Kaplan & Norton, 1996).

Thus, learning and growth are based on the intellectual capabilities of employees, their skill levels, information systems and administrative procedures, and an attempt to harmonize them with the environment in which the company lives.

Indicated Kaplan & Norton (1992) pointed out that the previous three dimensions of the card will create the available energies and capabilities that the company needs to achieve its goals. In building testing to develop excellent developing skills; keeping information technology and adapting managerial procedures is essential. Investing in creating skills, supporting information technology and adapting organizational procedures is necessary, which provides a learning and growth perspective that transfers the available energies and capabilities from its current level

to a level which enables the company. It must invest in creating skills, supporting information technology and adapting organizational procedures, which provides a learning and growth perspective that transfers the available energies and capabilities from its current level to the level through which the company can achieve its strategic goals.

Measuring learning and growth dimension turnover rate, The number of promotions inside, Number of suggestions, Employee productivity, Number of complaints, Ratio of employee training costs and Employee productivity from porn.

1.9 Firm value

On the concept of company value, Some pointed out (Nyoman *et al.*, 2014) that The value of the company is the investor's perception and perception of the company's success, which is always linked and reflected in the stock prices, and the company with high stock prices has a high value.

Pointed out by Hasan & Chyi (2017), The value has many meanings, connotations, and uses in accounting, administrative and economic thought, and the differences in those connotations lead to fundamental differences in the results of the evaluation, where the market value is the value in which the stock is traded in the stock market, which represents the equilibrium price between selling offers and purchase orders in the light of the information provided by financial reports about the facility, and the real value is those that are judged by the experts based on the implicit characteristics of the project represented in the ability to achieve profits and the risk associated with the investment

The fair value is where assets can be exchanged or liabilities paid between knowledgeable and willing parties in a direct transaction. It is a value determined according to supply and demand conditions between two independent parties. , through a Tobin's Q Model is the ratio of the book value of the debt in

addition to the shares' market value divided by the equity's book value (Moeljadi, 2014).

2 .Literature Review and Hypothesis development:

Since the creation of the Balanced Scorecard, there have been many studies that dealt with this aspect of management accounting, as there are studies of the effect of the Balanced Scorecard on financial performance and strategic performance and general performance and have been applied to Many private, public and non-profit organizations around the world. BSC is a system for measuring and developing a modern strategic plan first introduced by Kaplan and Norton (1992). It is a method of developing a mission-performance measurement plan to transform the overall vision and strategy.

According to the balanced scorecard model, which includes financial and non-financial goals linked to each other according to the cause and effect relationship to describe strategies to become operational goals in many aspects: financial - customers - internal operations – employees (Norton & Kaplan, 1996). Norton and Kaplan believed that measurement was as fundamental to managers. If companies were to improve the management of their intangible assets, they had to integrate the size of intangible assets into their management systems. Where considered whose intangible assets played a central role in value creation Conceptual Foundations of the Balanced Scorecard by Kaplan and Norton (2009). Today's managers recognize the impact that measures have on performance. But they rarely think of measurement as an essential part of their strategy. For example, executives continue to use the same short-term financial indicators they have used for decades, measures like re- turn-on investment, sales growth, and operating income. These managers fail to introduce new measures to monitor new goals and processes and question whether or not their old stepstandards are relevant to the new initiatives. What you measure is what you get. Executives also understand that traditional financial accounting measures like return-on-investment and earnings-per-share can give misleading signals for continuous improvement and innovation—activities today's competitive environment demands. The convenstandard financial performance measures worked well for the industrial era, but they are out of step with the skills and competencies companies are trying to master today. During a year-long research project with 12 companies at the leading edge of performance measurement, we devised a “balanced scorecard”—a set of measures that gives top managers a fast but comprehensive view of the business. The balanced scorecard includes financial measures that showing the steps taken. And it complements the financial efforts with operational measures on customer satisfaction, internal processes, and the organization's innovation and improvement activities—active operational standards that are the drivers of future financial performance(The Balanced

Scorecard—Measures that Drive Performance by (Kaplan & Norton, 1992). According to Kaplan and Norton (2001) The Strategy-Focused Organization How BSC Companies Thrive In New Competitive Environment is an essential tool for strategic management because it links strategic planning and budget. Since the budget provides a basis for comparison, through which performance is evaluated, it is a tool that deals with the existence of strategic plans to achieve the set goals, which is consistent with the position of Kaplan and Norton. Etim &Agara (2011), Explore how the strategic management performance model called the balanced scorecard performed well among the companies that introduced the model in Nigeria. They have confirmed this from empirical evidence and suggestethat public views are expanded to incorporate the fifth perspective, which is environment and culture, because of the critical roles that environment and culture play in the survival of any organization. Many studies deal with the balanced scorecard, International Studies, Arabic studies and Saudi studies

Rafiq *et al.*, (2020) Impact of a Balanced Scorecard as a Strategic Management System Tool to Improve Sustainable Development: Measuring the Mediation of Organizational Performance through PLS-Smart, the study was carried out to investigate the ,practical effect of a strategic management system on sustainable development by using a balanced scorecard (BSC), as a theoretical lens, and organizational performance, as an intervening variable. The study incorporated at research paradigm to address the objective nature of research. As the current study has an empirical and impartial character, a quantitative method was considered the best method for achieving the research objectives. The study used questionnaires as a data collection instrument. In total, three hundred questionnaires were disturbed among Chinese power companies based in Pakistan. A stratified-random sampling approach was adopted to reach relevant respondents. Tuan (2019), The Impact of Balanced Scorecard on Performance: The Case of Vietnamese Commercial Banks. Balanced Scorecard (BSC) will help the manager to measure and evaluate the operating performance in enterprises. The applying the Balanced Scorecard in Vietnamese Enterprises aimed to improve the operational performance of enterprises meaningfully and necessary. balanced scorecard in general is a very new content in both theoretical and practice in Vietnam. The study aims to explore the application of the Balanced Scorecard in enterprises according to 4 perspectives of the Balanced Scorecard in Vietnamese commercial banks, distributing 109 questionnaires of managers and heads of the department from Vietnamese commercial banks. Research shown the Balanced Scorecard's effect on the performance of Vietnamese commercial banks. This is the scientific basis for enterprises of Vietnam in general, and Vietnamese commercial banks firms, in particular, have a successful

application of a balanced scorecard to improve the business performance. Dincer & Yüksel (2017), Balanced scorecard based performance measurement of European airlines using a hybrid multi-criteria decision-making approach under the fuzzy environment, The study's interest towards the customer's perspective is more than other that it found customer dimension is the most significant fundamental factors in the balanced scorecard perspective. Additionally, the airline companies with the most considerable profit (per employee) and highest number of passengers and flights (per employee) had the best scores in the multidimensional performance results. Furthermore, the airline companies with the highest profitability and efficiency are more successful than other companies. Therefore, we recommend that European airlines portento to improve their performance. This study makes a critical crucial essential contribution to the literature by helping to solve a significant problem in the market with the proposed methodology. Abdeta (2019) Balanced scorecard implementation and its challenges. The Ethiopian Railways Corporation, the Balanced Score Card (BSC) is one of the most popular Public service reform initiatives in Ethiopia that try to translate a company's strategic direction and objectives into actionable initiatives and measurements using the Descriptive method of research and the Relevant data for the study was collected using questionnaire and semi-structured interview, and 81 questionnaires (30% from the total population of 270) were distributed, from this 79 (97.5%) were collected. The primary significant findings of the study revealed that employees' understanding of the vision and strategic objectives and employees' positive perception regards to BSC initiative relevance is an excellent opportunity for ERC. whereas lack of committed management and employee, workforce skill gap and lack of training, ineffective communication with employees, and lack of monitoring and evaluation system are the variables that are statistically significant and have an influence on balanced scorecard reform implementation at the Corporation. Therefore, it is recommended that ERC should strengthen the commitment of management and employee by providing adequate and continuous refreshment training on the concept of a Balanced Scorecard. Gulak (2020) in Poland application of the balanced scorecard in Polish sports associations. It seems to be a perfect management tool for sports associations as it considers both financial and non-financial perspectives, including various clients from both areas. Possibility of applying the concept of a balanced scorecard (BSC) them has presented. In addition, BSC characteristics, perspectives and measures were presented, as well as the impact of features of the sports industry directly related to the activities of sports associations, which should be considered when developing balanced.

Also (Dwivedi & Prasad & Singh, and Mandal, 2020) emphasize an application of the

balanced scorecard (BSC) model in an insurance organization for coordinating and regulating its corporate vision, mission and strategy with organizational performance through the interrelation of different layers of business perspectives. In the next stage, a framework to unify both BSC and best-worst method (BWM) models is implemented for the first time in the insurance domain to assess its performance over time the periods. The integrated BSC-BWM model can help managers and decision-makers figure out and interpret the competing forces of the said enterprise infigure out and interpret the competitive power of the said enterprise to efficient and compelling decision making. Nevertheless, this integrated model is embraced and selected for a particular specific categorical business, and there is enough future scope for its application to distinct industries. Use of other non-financial metrics that affect the value of the company. Zorek (2020) Successful Balanced Scorecard Implementation Strategies for a Manufacturing Organization up to 90% of businesses fail to execute their business strategies. Still, the effective implementation of a performance measurement system like the balanced scorecard (BSC) often leads to the implement a more successful execution of a business strategy. The Purpose of this qualitative single case study sought to explore the successful strategies used by business leaders to implement a BSC effectively. Change theory was the conceptual framework for the analysis. Participants consisted of 3 business leaders of a manufacturing organization in Southeast Wisconsin who successfully implemented the balanced scorecard within their business. Data were collected from face-to-face, structured interviews and public documents.

Data were analyzed according to Yin's 5-step process of compiling, disassembling, reassembling, interpreting, and making conclusions. Three key themes emerged from the data analysis: develop a clearly defined business strategy with measurable strategic objectives, effectively communicate the business strategy to all stakeholders, and assign a project manager lead and monitor the implemented change. The implications for positive social change include the potential to improve an organization's financial profitability and long-term sustainability, thus providing additional income for local communities, which could lead to improving the economic health of local communities. According to Sen *et al.*, (2017), the integration of a balanced scorecard into innovative strategic management. Along with the brief review of innovation-based strategic direction, the balanced scorecard approach from the innovation perspective, also there is a wide range of in industrial applications based on innovation conducted for the balanced scorecard wide range of application areas of the balanced scorecard prove that regardless of the functional operating room of the enterprise, innovation is crucial for competitive advantage and success. Hence, the company's strategic objectives should be

charged with the innovation point of view to maintain their forces in the environment they operate in. There is a study discussed proved the adoption of modern management methods in the company's strategy which have a positive impact on the company. Hariyanto *et al.*, (2019) study was applied in the Jakarta Islamic. The number of samples in this study were 30 companies. The Effect of Business Strategy on Firm Value, Performance Measurement Model and Company Performance as Intervening Variable: Empirical Study on Jakarta Islamic. It was focusing on studies that discussed the balanced scorecard, one of the modern management strategies and knowing its impact on the company's value. Okoye *et al.*, (2017) study aims to achieve the balanced scorecard's impact on the company's value, as shown in the manufacturing companies in Nigeria. Research design, survey method. The study population consists of all 43 manufacturing companies listed on the Nigerian Stock Exchange. A sample of 39 manufacturing companies was used. Descriptive statistics were used to describe and summarize the behaviour of variables in The study's concluded results. Encouraging the application of the scorecard proved that it improves the organizational value. De Geuser (2009) 'does the Balanced Scorecard Add Value? Empirical Evidence on its Effect on Performance: A pilot survey collected from 76 business units indicated the balanced scorecard's contribution to performance through the application of cause and effect and works on integrating management operations and empowering employees.

Based on above studies the authors reviewed the national and international literature, which indicates relationship between the balanced scorecard and the company's value. Some studies concluded that the positive effect on the value of the company. study associated with the effect of the balanced scorecard on the company's value no study related to the balanced scorecard's impact on the company's value in the Kingdom of Saudi Arabia.

2.1 Hypotheses Development

Based on the results of previous studies (De Geuser, 2009; Kaplan & Norton, 2001; Dinçer, 2017). The balanced scorecard plays an important role not only as a measure of strategic performance, but is an essential component of the strategic process, so it has a prominent position within the framework of the strategy. Improving the links between strategy and performance, and the mechanisms for implementing the strategy is also important. The balanced scorecard should accompany the initial design, implementation, use and refinement phases. This logically indicates that the balanced performance energy has a positive correlation with creating value for the companies that use it (how much value BSC generates) and that this correlation can be explained (how do BSC generate value). This provides a basis for developing hypothesis.

The main hypothesis is:

H₀: BSC application has positive effect on value firm in Saudi companies

The main hypothesis is sub-divided into four hypotheses related to:

1. Financial Perspectives:

The basic principle of the balanced scorecard is in measuring strategic performance through the efficiency of financial operations and determining revenues and expenses and the extent to which they meet administrative and organizational processes and development projects. Therefore, many researchers consider this dimension the best way to implement the balanced scorecard (Niven, 2008; Chintengo, 2017; Niven, 2002). Both authors claim that the financial perspective is the most important perspective because it funds other perspectives. Nevertheless, an excessive more focus in the financial perspective encourages the short term and is unable to reverse current activities to create value (Malgwi & Dahiru, 2014; Chavan, 2009).

Under this perspective two main strategies are emphasized, namely Revenue growth and Productivity (Kaplan & Norton, 2000).

H₁: Financial Perspective has positive effect on value firm in Saudi companies.

2. Customer perspective:

The customer perspective based on Kairu (2013) is a perspective that measures the company's ability to satisfy customers with high-quality services and products, efficient delivery and customer satisfaction, in addition to that mentioned. The use of the balanced scorecard leads to maximizing the return by providing services to customers and increasing the number of beneficiaries and recipients of the service, which is reflected in the growth of revenues as a result of improving performance resulting from continuous development.

Facilitating the methods of presenting to customers and continuous development leads to customer satisfaction and gaining their loyalty, and thus increasing revenues (Tohidi *et al.*, 2010). The customer perspective aims to identify the market segments in which the company can be concentrated as well as the performance indicators related to these customers within the target sectors. Kaplan and Norton (2001) see that for each province, the implementers have five basic indicators to express this dimension, including market share, customer acquisition, customer retention, customer satisfaction, and customer profitability. Modern companies are designed to satisfy customers by responding to the desires and aspirations of current and potential customers in order to achieve value for their customers.

Where the organization's message about customer service is translated by identifying indicators to achieve this (Chimteno, 2017; Huang *et al.*, 2006) Both authors believe that customer orientation refers to the degree to which the organization uses the information generated from clients that meets the needs and desires of the clients. Helps managers respond to how clients see organizations through it, performance can be raised to meet the needs of different customers, to achieve the desired goals in an effort to add value.

H₂: Customer Perspective has positive effect on value firm in Saudi companies.

3. Internal operations perspective:

The internal processes are considered to support the competitiveness of the company and include a set of internal activities and events carried out by the organization to transform the inputs into outputs with high quality and at the lowest cost. As Kaplan and Norton indicated, this element depends on three basic elements: innovation and creativity, the operating cycle and operations, and the after-sales service cycle (Btoura & Raqam, 2020). It is the critical process to achieve the two aforementioned perspectives through which it is possible to identify the main business processes in which they must excel (Kairu, 2013; Gekonge, 2005). Internal operations perspective Achieving performance expectations from developing strong internal control within the organization (Kaplan & Norton, 1992) define a few value chains for operations within this perspective. Innovation, operating and after-sales services.

H₃: Internal operations Perspective has positive effect on value firm in Saudi companies.

4. Learning and growth perspective:

The business organization learns and develops through its experience and capabilities in putting the ideas of its human resources and management into practice, and thus learning is linked to positive change in organizational individual and collective behaviors. Learning and growth in organizations is framed in efficient work teams, continuous positive thinking, high confidence in experience and a transparent and broad understanding of the nature The company's presence in its environment. Certainly, the learning and growth perspective such as the effectiveness of operations (quality information system) and the ability of employees (experience and skill) the degree of company compatibility (culture and teamwork) play an important role in achieving the company's goals (Gonzalez- Sanchez, 2018).

The learning and growth perspective focus on how employees improve themselves and create more

value for the organization (Pourmoradi & Abdollahian, 2016).

H₄: Learning and growth Perspective has positive effect on value firm in Saudi companies.

Developing a hypothesis based on the theoretical framework and previous literature for further empirical testing of the effect of the balanced scorecard on the value of the company using samples in the context of Saudi finance. the first hypothesis states that the application of BSC has a positive impact on the value-added company in Saudi joint stock companies. The second hypothesis on the financial perspective has a positive impact on the value company in Saudi joint stock companies, the third hypothesis, the customer perspective has a positive impact on the value company in Saudi joint stock companies, the third hypothesis is the perspective of internal operations has a positive impact on the value company in Saudi joint stock companies, the fourth hypothesis is a perspective Learning and growth has a positive impact on company value in Saudi joint stock companies. Building and developing this hypothesis depends on the agency theory.

3. RESEARCH METHODOLOGY

Descriptive approach in conducting the study because it is one of the most used methods in society to reach logical results, the survey used the questionnaire tool based on the literature follow this method (De Geuser *et al.*, 2009; Okoye *et al.*, 2017).

Information about the balanced scorecard and its impact on the value of the company was collected from the distribution of a questionnaire to communicate with the target sample for a study through e-mail and mobile communication.

The companies selected for the study belong to the following broad business sectors:

1. Industrial sector
2. Commercial sector
3. Service sector

3.1 Study population and sample:

Study population: employees of companies listed in the Saudi market in the Marketing Department, Accounting Department, Human Resources Department, Production Department.

The study sample: represented by 72 employees in companies listed in the Saudi market from the administrative departments (in the marketing department, the accounting department, the human resources department, the production department).

Table 1: Distribution of the questionnaire

Received questionnaires	Excluded questionnaires	Questionnaires valid for analysis
72	3	69

3.2 Data sources:

Primary sources: The use of the questionnaire tool, which is a research tool for collecting information, as it contains two main sections:

1. A section that includes the personal data of the members of the study sample, which is represented in the scientific qualification, the scientific specialization, the years of experience
2. A section containing a number of statements according to the five-choice Likert scale (strongly agree, agree, neutral, disagree, strongly disagree).

To achieve the objectives of the study and to verify the hypotheses, a data analysis program was used to obtain the results of the study.

Secondary sources: Which is represented in books and studies Arabic and foreign and include what was written in the accounting literature on the subject of study and published research and scientific messages and articles and periodicals connected to the area of study.

3.3 Defining and Measuring Variables:

The study focuses on measuring the Balanced Scorecard implementation strategy in Saudi companies and its effect on value, independent variables and dependent variable measured by the questionnaire which is developed by researchers.

Independent variables: Balanced scorecard (financial perspective - customer perspective - internal operations perspective - learning and growth perspective)

Financial perspective: This perspective consists of criteria related to a strategy that includes criterion for making a profit that is in fact the main strategic goal that all the organizations seek to attain, a well balanced growth standard regarding the revenues from the investments made, and the criterion for lowering the costs to the maximum level possible for achieving the maximum level of effectiveness, and finally the criterion to maximize the owners' wealth. This is made possible through the real returns earned on the investments made and the standard for gaining the economic value added (Kaplan & Norton, 1996).

Customer perspective: This perspective includes the fair market share criteria and has elements that aim to find a balance between the available regulatory qualifications, market share targeted, and the criterion related to the acquisition of new customers. This is achieved by taking into account the target of fair profitability, retention of existing customers, and the application of standards that suit the requirements of physical and moral needs and the satisfaction of customers by pursuing and happiness (Kaplan & Norton, 1996).

Internal operations perspective :Includes the target achievement standard for the lowest working time, the lowest cost and quality and quality standards. It calculates the optimal percentage of quality in the units and services produced and the lowest defect ratio allowed and includes mastering the product or service to achieve a level of technology (Kaplan and Norton, 1996).

The growth and learning perspective :It includes the individual level criterion, which is concerned with providing the skills of the individual and the standards of individual creativity applied in management, which requires the availability of superior mental abilities in creating solutions to existing problems and the employee must meet his needs to retain (Davis, 1996).

Dependent variables: Is represented by the firm value. The primary purpose is usually defined as maximizing shareholder value (Berle & Means, 1991). Reference to maximizing the company's performance and property rights. present value indicates the expected benefits (cash inflows) that shareholders can expect from the Company (Blair, 1996).

3.4 Research Model

The study measures how the Balanced Scorecard creates a value to try to know this through formal, informal and interactive use that it generates during the design, implementation and use phases, is the value a result of its strategic or operational use, and how does (the four perspectives) affect the value of the company, to test that through An approach BSC with its four traditional dimensions, De Geuser *et al.*, (2009) the strong assumption of the causal relation between the four dimensions of the BSC – and their related performance adds to the creation of value.

The study developed a model based on a set of independent variables that were mentioned previously and the dependent variable. The regression equation was used to describe the strength and direction of the linear relationship between the variables in the model, so the model is as follows:

$$Y = \beta_0 + \beta_1(x)_1 + \beta_2(x)_2 + \beta_3(x)_3 + \beta_4(x)_4 + u_t.$$

Y: firm value

X1: Balanced scorecard's financial dimension

X2: Customer dimension for balanced scorecard

X3: Internal Operational Processes of Balanced Scorecard

X4: learning and growth for a balanced scorecard

β_0 : Constants

$\beta_1, \beta_2, \beta_3, \beta_4$: Coefficients

u_t : Residual error

The study for the employees of companies listed in the Saudi market according to the division of different sectors (service, industrial and commercial). The questionnaire tool was used to measure the impact of the scorecard on the value of the company, as is followed in the literature. In the end, the research model was discussed briefly using multiple regression analysis to test the hypothesis.

4. Statistical Analysis:

In this section we discuss descriptive statistical analysis, the correlation between variables, the implementation of statistical methods to test hypotheses, and multiple regression to examine the

impact of the balanced scorecard on the value of the company and finally present and analyze the results.

4.1 Validity and reliability of the search tool:

The apparent honesty of the questionnaire's paragraphs was verified by presenting it to three arbitrators from faculty members in the College of Business Administration, specifically from the Accounting Department. The amendment was made according to their suggestions and observations.

To measure instrument stability, a Cronbach Alpha scale was used to accurately measure the internal consistency of all questions.

Table 2: Shows Cronbach's alpha stability coefficients for the axes of the tool

Axis	Perspective	number of Items	Cronbach's alpha
First	Financial Perspective	11	0.829
Second	Customer perspective	9	0.882
Third	Internal Operations Perspective	10	0.802
Fourth	learning and growth perspective	10	0.854
all perspectives		40	0.887

The results indicate that each of the first axis, the financial dimension, enjoys a high degree of reliability with the reality of (0.829) and the second axis, the clients dimension, expresses high reliability by (0.882), and the third axis after internal operations indicates a high degree of reliability with (0.802), and finally the fourth axis expresses the degree of learning and growth High reliability by (0.854) all perspectives as it reached approximately (0.887) as shown in table No. (2), where these values express a good degree of stability. This, in turn indicates the high ability of the study tool to measure what it was designed for and thus be The researcher has verified the validity and reliability of the questionnaire, which makes us fully

confident in the validity of the questionnaire and its validity to analyze the results.

This is consistent with previous studies that confirm that the credibility and reliability of performance are high, the better the indicator (De Geuser, 2009; Okoye *et al.*, 2017).

4.2 Descriptive Statistics:

The five-point Likert scale was used, and the results of the statements received are presented in the questionnaire. According to this scale, answers were given weights to express their trends as shown in the following table.

Table 3: Estimated balance according to the five-point Likert scale The questionnaire was divided as follows

Response	Weighted average	period length	Level
Strongly Disagree	1 to 1.79	0.79	Low
Disagree	1.80 to 2.59	0.79	
Neutral	2.60 to 3.39	0.79	Average
Agree	3.40 to 4.19	0.79	High
Strongly agree	4.20 to 5	0.80	

Table 4: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Perspective	69	3.17	4.50	3.9941	0.32787
customer perspective	69	3.00	4.78	3.6410	0.34056
Perspective internal operations	69	3.00	4.70	3.6559	0.32525
The perspective of learning and growth	69	2.60	4.00	3.4500	0.27181
Valid N (listwise)	69				

It is clear from the previous table that the averages and standard deviations of the first, second, third and fourth axes. As the first axis represents the financial perspective with a standard deviation (0.32787), mean (3.9941).

This indicates that the financial perspective has a good and reasonable standard deviations and mean, according to the five-point Likert scale as it is considered the financial perspective high level, where the mean is higher than (3.40), the second axis

represents the customers' perspective with a standard deviation(0.34056) and mean (3.6410) this indicates that the customer perspective has a good and reasonable standard deviations and mean, according to the the five-point Likert scale as it is considered the customer perspective high level, where the mean is higher than (3.40),the third axis represents the internal operations perspective with a standard deviation (0.32525) and mean (3.6559), this indicates that the internal operations perspective has a good and reasonable standard deviations and mean, according to the the five-point Likert scale as it is considered the internal operations perspective high level, where the mean is higher than (3.40).

Finally, the fourth axis represents the perspective of learning and growth with a standard

deviation(0.27181) and mean (3.4500), this indicates that the learning and growth perspective has a good and reasonable standard deviations and mean, according to the the five-point Likert scale as it is considered the learning and growth perspective high level, where the mean is higher than (3.40).

4.3 Demographic data:

Presentation and analysis of the demographic data of the study participants. The study sample showed the general data of the individuals concerned to answer the questionnaire. Five demographic characteristics of the respondents were used (qualification - scientific specialization - professional section - years of experience – company Field).

Table 5: View frequencies for demographic data

	Variable	Frequencies	
Qualification	Bachelor's degree and less	45	65.2%
	Master's	19	27.5%
	PhD	4	5.8%
Scientific specialization	Marketing	15	21.7%
	Business Administration	28	40.5%
	Accounting	19	27.5%
	Management Information System	7	10%
Career Section	Department of Accounting	19	27.5%
	Department of Human Resources	21	30.4%
	Marketing department	22	31.8%
	production department	7	10%
Years of Experience	1-5	17	24.6%
	6-10	26	37.7%
	11-16	15	21.7%
	16 to more	11	15.9%
Company sector	Service	23	33.3%
	Commercial	25	36.2%
	Industrial	21	30.4%

It is clear from the previous table No. (5), which shows the demographic data related to the study sample (employees from different departments in companies listed in the Saudi market), where it becomes clear to the researcher that a proportion of (65.2%) of the study sample are those who hold a bachelor's degree, where their number is 45, followed by individuals whose level of education Of the master's holders, the percentage is (27.5%), as their number19, while the rate of PhD holders is 5.8%.

Most of the sample members have a scientific specialization in business management with a percentage (40.5%), then accounting with a percentage (27.5%), marketing inspires with a percentage(21.7%), and finally management information systems with a rate (10%). Most sample members have two functional departments: business administration and accounting, respectively, followed by marketing, and finally, management information systems.

This is a good and positive indicator that indicates the adequacy of qualifying the study sample to answer the questionnaire items well, which contributes to the generalization of the study results.

As human resources, employees are responsible for setting plans, formulating work policies, organizing and administrative coordination, and among their tasks is training and development by providing employees with the tools necessary for their success.

Accounting employees are responsible for submitting administrative reports by informing the senior management of the costs and returns of each plan to be followed, as well as the financial policy of the facility, such as following up on the payment and receipt policy to ensure that it is carried out following the facility's policy. Accounting reports are prepared by accountants, through whom the facility's business controlled and helps senior management facility's

business control and helps senior management make the right decisions.

Finally, by looking at the years of experience of the individuals surveyed, it became clear that the highest percentage is from 6-11 years, followed by the periods 1-5 and then 11-16. This indicates that the respondents in the study are not newly employed and have sufficient knowledge of working in their companies, as their responses in the questionnaire can be relied upon.

4.4 Test Hypothesis:

To test the hypothesis about the effect of applying the balanced scorecard on the firm's value. We used multiple regression test based on the study model shown in this study; the model included four independent variables represented in the four

dimensions of the balanced scorecard (financial perspective - customer perspective - internal operations perspective - learning and growth perspective) whose impact was tested in the questionnaire.

In this study, using the multiple regression equation $Y = \beta_0 + \beta_1(x)_1 + \beta_2(x)_2 + \beta_3(x)_3 + \beta_4(x)_4 + u_t$ where (Y) represents the dependent variable which is the value of the company, (β_0) represents the regression constant, ($\beta_1, \beta_2, \beta_3, \beta_4$) the slope of the straight line, (x_1, x_2, x_3 and x_4) the independent variable, and u_t is Residual error. The results showed as it is clear from the previous table that the value of the coefficient of determination and related to the dimensions affecting the value of the company positively with percentages uneven. The following are the analysis of the study's hypotheses.

Table 6: The effect of the dimensions of the balanced scorecard on the value of the firm

Model variables	Constant (β)	Beta	T	Sig	correlation coefficient(R)	R2	F	Sig(F)
Constant	2.98							
Financial Perspective		0.458	0.403	0.002	0.736	0.546	32.5	0.001
customer perspective		0.356	0.156	0.001	0.655	0.437	19.8	0.001
Perspective internal operations		0.295	0.459	0.003	0.601	0.361	17.8	0.001
The perspective of learning and growth		0.248	0.106	0.001	0.507	0.258	14.6	0.001
Durbin-Watson				1.699				
R2				.542				
F				19.911				
Sig(F)				0.000				

1- The results of the analysis of the first Perspective hypothesis:

The results Refer to the acceptance of the hypothesis that states the positive impact of the financial dimension on the value of the firm, indicating that there is a statistically significant relationship between the effects of the financial perspective on the value of the company in the companies concerned in the study, as the value of the regression coefficient(Beta) refers to the sign of the regression coefficient is positive, indicating that the relationship between the financial dimension and the value of the company is direct. The value of the regression coefficient means that the increase is (100) units In the financial perspective, it leads to rise of (45.8) units in the value of the company. This confirms the positive influence relationship between the financial perspective and the value of the company, that the correlation coefficient is positive (0.736), which also means that the relationship between the financial perspective and the value of the company is strong, and the first hypothesis with statistical significance at the level ($0.05 \geq \alpha$).

The value of test (F) equals (32.5), which is a statistical function at a level of 0.001, indicating the quality of the effect of the regression model related to

the financial dimension on the value of the company and that it is reliable.

The value of the coefficient of determination (R2) is equal to (0.546), and it means that the independent variables related to the financial dimension on which the model depends explain the effect on the value of the company by (55%) and that the remaining ratios are explained by other variables that were not included in the study, in addition to the random error in the equation. This result is consistent with previous studies (De Geuser, 2009; Okoye *et al.*, 2017).

2- The results of the analysis of the second perspective hypothesis:

The results refer to the acceptance of the hypothesis that states the positive impact of the customer perspective on the value of the firm, indicating that there is a statistically significant relationship between the clients' perspective of the balanced scorecard on the value of the company, the value of the regression coefficient (Beta).

This indicates that the regression coefficient is optimistic that the relationship between the customer dimension and the value of the company is a direct

positive influence relationship, meaning that an increase of (100) units in the customer dimension leads to rise of (35.6) units in the value of the company.

This confirms the positive influence relationship between the customer dimension and the company's value that the correlation coefficient is positive (0.655), which also means that the relationship is excellent and the second hypothesis with statistical significance at the level ($0.05 \geq \alpha$)

The value of test (F) equals (19.8), which is a statistical function at a level 0.001, indicating the quality of the effect of the regression model related to the customer dimension on the value of the company and that it is reliable.

The value of the coefficient of determination (R^2) is equal to (0.437) and it means that the independent variables related to the customer dimension on which the model depends, explain the effect on the value of the company by (44%) and that the remaining ratios are explained by other variables that were not included in the study, in addition to the random error in the equation. This result is consistent with previous studies (De Geuser, 2009; Okoye *et al.*, 2017).

3- The results of the third dimension hypothesis analysis:

The results refer to accepting the hypothesis that states the positive impact of the internal operations dimension on the value of the company, indicating that there is a statistically significant relationship between the internal operations dimension of the balanced scorecard and the value of the company, the value of the regression coefficient (Beta) The sign of the positive regression coefficient indicates that the relationship between the internal operations dimension and the company's value is a positive (direct) influence relationship.

The value of the regression coefficient means that an increase of (100) units in the internal operations leads to an increase of (30) units in the value of the company.

Which confirms the positive influence relationship between the internal operations dimension and the company's value that the correlation coefficient is positive (0.601), which also means that the relationship is medium and hypothesis with statistical significance at the level ($0.05 \geq \alpha$)

The value of test (F) equals (17.8), which is a statistical function at a level of 0.001, indicating the quality of the effect of the regression model related to

the customer dimension on the value of the company and that it is reliable.

The value of the coefficient of determination (R^2) is equal to (0.365), and it means that the independent variables related to the customer dimension on which the model depends, explain the effect on the value of the company by (37%) and that the remaining ratios are explained by other variables that were not included in the study, in addition to the random error in the equation. This result is consistent with previous studies (De Geuser, 2009; Okoye *et al.*, 2017).

4- The results of the analysis of the fourth dimension hypothesis:

The results refer to the acceptance of the hypothesis that states the positive effect of the learning and growth dimension on the value of the firm, indicating that there is a statistically significant relationship between the learning and growth dimension of the learning card and the growing value of the regression coefficient Beta (0.198).

The sign of the positive regression coefficient indicates that the relationship between the learning dimension, growth and company value is a positive (direct) influence relationship.

Meaning that an increase of (100) units in the learning and growth dimension leads to an increase of (25) units in the value of the company

Which confirms the positive influence relationship between the learning and growth dimension and the company's value that the correlation coefficient is positive (0.507), which also means that the relationship is medium and hypothesis with statistical significance at the level ($0.05 \geq \alpha$)

The value of test (F) equals (14.6), which is a statistical function at a level of 0.001 indicating the quality of the effect of the regression model related to the learning and growth dimension on the value of the company and that it is reliable.

The value of the coefficient of determination (R^2) is equal to (0.258), and it means that the independent variables related to the learning and growth dimension on which the model depends explain the effect on the value of the company by (26%) and that the remaining ratios are explained by other variables that were not included in the study, in addition to the random error in the equation. This result is consistent with previous studies (De Geuser, 2009; Okoye *et al.*, 2017).

4.5 Matrix of correlation

Table 7: Matrix of correlation between independent variables correlation with the dimensions of the balanced scorecard

Independent variables	Financial Perspective	customer perspective	internal operations Perspective	learning and growth Perspective
Financial Perspective	1			
Sig	0.000			
Customer perspective	0.882	1		
Sig	0.001	0.00		
Internal operations Perspective	0.805	0.834	1	
Sig	0.002	0.003	0.00	
Learning and growth Perspective	0.853	0.816	0.822	1
Sig	0.002	0.002	0.003	0.00

Table (7) shows correlation coefficients between the financial perspective and (the customer perspective, the internal operations perspective, and the learning and growth perspective) the independent variables of the multiple regression model; the correlation coefficient shows that there was a positive relationship between the financial perspective and the customer perspective with the value (0.882) with statistical significance ($\text{sig} < 0.05$) and there is a positive relationship between the financial perspective and the internal operations perspective (0.805) with statistical significance ($\text{sig} < 0.05$). There is a positive relationship between the financial perspective and learning and growth (0.853) with statistical significance ($\text{sig} < 0.05$). that the relationship between the variables is less than the correct one indicates a reduction of random interference between the variables. This result agrees with both (Niven, 2008; Niven, 2002; chimurenga *et al.*, 2017; Kaplan & Norton 1996). Both authors claim that the financial perspective is the most critical perspective because it funds other perspectives.

Correlation coefficients between the customer perspective and (financial perspective, internal operations perspective, learning and growth perspective) independent variables of the multiple regression model and the correlation coefficient shows that there is a positive relationship between the financial perspective and the customer perspective with a value of (0.882) that is statistically significant ($\text{sig} < 0.05$) and there is a relationship Positivity between the customer perspective and the internal operations perspective (0.834) is statistically significant ($\text{sig} < 0.05$). It is a positive relationship between client perspective and learning and growth (0.816) and statistically significant ($\text{sig} < 0.05$). that the relationship between the variables is less than the correct one indicates a reduction of random interference between the variables, this result agrees with both (Tohid *et al.*, 2010) (Niven, 2008) Both authors claim that customer care leads to the need for continuous development of employees in providing the service. Customer satisfaction and gaining their loyalty leads to increased revenue and maximizing

return through providing services to customers and increasing the number of service beneficiaries, which is reflected in sales growth as a result of improving performance resulting from continuous development.

Correlation coefficients between internal processes and (financial perspective, customer perspective, learning and growth perspective) independent variables of the multiple regression model, and the correlation coefficient shows that there is a positive relationship between the financial perspective and the internal operations perspective with a value of (0.895) that is statistically significant ($\text{sig} < 0.05$) and there is a relationship Positivity between the customer perspective and the internal operations perspective (0.834) is statistically significant ($\text{sig} < 0.05$). Is a positive relationship between the perspective of internal processes and learning and growth (0.822) and statistically significant ($\text{sig} < 0.05$). We can say that the relationship between the variables is less than the correct one, which indicates a reduction of random interference between the variables. This finding is consistent with both (Kairu, 2013; Gekonge, 2005). Both authors claim that the internal process contributes to achieving other perspectives, revenue maximization and customer satisfaction and that through the development and quality of the critical internal processes, they must excel in.

Correlation coefficients between learning and growth and (financial perspective, customer perspective, internal operations perspective) the independent variables of the multiple regression model, and the correlation coefficient shows that there is a positive relationship between the financial perspective and the learning and growth perspective with a value of (0.853) that is statistically significant ($\text{sig} < 0.05$) and there is a relationship Positivity between the learning and growth perspective and the customer perspective (0.816) was statistically significant ($\text{sig} < 0.05$). a positive relationship between learning, growth and internal processes perspective (0.822) and statistical significance ($\text{sage} < 0.05$). We can say that the

relationship between the variables is less than the correct one, which indicates a reduction of random interference between the variables.

This finding is consistent with (Pourmoradi *et al.*, 2016) author claim that Improving employees through training and learning reduces the rate of errors and improves the quality of production, Creates more value for the company and maximizes returns.

5. RESULTS AND RECOMMENDATIONS

5.1 RESULTS:

The current study reached a set of results, Saudi listed companies have a clear strategic plan for all parties involved in implementing the program, in addition to a performance evaluation mechanism for the companies under study, and this is done by linking the vision to the goals, as well as a high degree of availability. Effective management systems help achieve the company's vision and strategy, which contributes to adding value. This result agreed with the study of (De Geuser *et al.*, 2009) French business environment.

According to the five-year Likert Scale, the financial perspective is considered to be of a high level, and this result is expected due to the measures and targets that this dimension contains, which are the oldest and most traditional. The of customers according to the five-point Likert scale is of a high level, as the companies concerned with the study to achieve the requirements of customers that are growing increasingly and study the market so that knowing the target groups and keenness on customer loyalty and gain their satisfaction. The dimension of internal operations according to the five-point Likert scale is of a high level, as the companies involved in the study adopt continuous development policies to increase the quality of products and services. The dimension of learning and growth according to the five-point Likert Scale is of a medium level, as the companies involved in the study and the employees in the lower administrative departments do not have sufficient understanding of the company's strategy and vision.

Through the questionnaire of some employees in joint stock companies, it was found that they depended on an integrated set of financial and non-financial measures in evaluating their performance without prior knowledge on the part of these employees that, in fact, they apply the balanced scorecard with its four dimensions.

Finally, the research will be a significant contribution to the existing literature dealing with balanced scorecard influence on value. The study has a higher significance because of the limited research related to Saudi Arabia in the discipline of management accounting. It is helpful in studying the role played by the balanced scorecard model in improving the

performance of business organizations and strengthening the Financial and strategic performance that is followed there.

5.2 RECOMMENDATIONS

- The companies must pay attention to addressing weaknesses and finding solutions to financial problems by knowing their causes and trying to address them
- the researcher recommended the importance of constantly developing the balanced scorecard model to accommodate the successive developments in the competitive business environment
- The companies should attract new customers and convert potential customers into existing customers through the customer's participation in the design of the product and service according to their needs and desires. This earns the current customer satisfaction and loyalty, and the potential customer desires to buy or use the service
- The company's management should pay great attention to the participation of employees at the lower administrative levels in the strategy and allocate special meetings to listen to their suggestions on strategy performance, identify deviations in implementation and seek to correct them to achieve better results.
- The researcher who is interested in the field of management accounting recommends studying the relationship between the balanced scorecard and the value of the company by applying it to different samples and in different periods to measure the value of the company

6. LIMITATIONS

- Fear of some employees about filling out the referendum, due to the concern of some employees when answering the referendum to disclose the strategy followed, to follow the company's policy to preserve information, the idea of the referendum was clarified to them, and the results will be shared with them after completing the preparation of the research
- This study focuses on the non-financial companies listed in the Kingdom of Saudi Arabia during the period of preparing the study, as the financial companies follow their systems and nature that differ from other sectors. Therefore the results cannot be generalized to all industries.
- Another limitation is related to the tool; some respondents seem to express idealistic views for fear of information leakage and losing their jobs, also some respondents may feel bored and may give random or unrealistic answers

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